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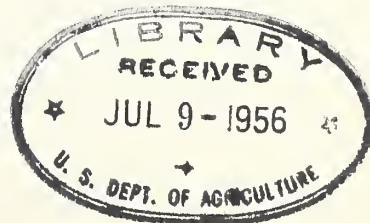
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UNITED STATES DEPARTMENT OF AGRICULTURE
U. S. Agricultural Marketing Service
Washington 25, D. C.

Minutes of the Kadota Fig Meeting Held March 21, 1955,
in Room 1152, U. S. Appraisers Building,
630 Sansome Street, San Francisco 11, California

The following were present:

<u>Name</u>	<u>Address</u>	<u>Representing</u>
H. H. Yost	San Francisco, Calif.	California Packing Corp.
Franklin Bache	San Francisco, Calif.	California Packing Corp.
Warde Cousins, Jr.	San Francisco, Calif.	Libby, McNeill & Libby Co.
C. H. Cunningham	San Francisco, Calif.	California Packing Corp.
M. C. Fitzgerald	Planada, Calif.	Planada Dehydrater Co.
Robert C. Pearl	Davis, Calif.	Food Technology & Ag.Ext. Service University of California
Wm. E. Harcourt	Richmond, Calif.	Filice & Perrelli Canning Co., Inc.
Stanley Miller	Visalia, Calif.	Kadota Growers Inc.
Monroe Phillips	Visalia, Calif.	Kadota Growers Inc.
Sidney Hoos	Berkely, Calif.	College of Agriculture
Ward B. Studt	Sacramento, Calif.	State Dept. of Agriculture
L. H. Walker	Albany, Calif.	Western Util. Res. Branch USDA
Leon Kaprielian	Reedley, Calif.	Kadota Growers Inc.
C. B. Parker	Atwater, Calif.	Davis Canning Co.
Kenneth C. May	San Francisco, Calif.	Food Distribution Div. USDA
Malcolm C. McGilvray	San Francisco, Calif.	Food Distribution Div. USDA
John P. Benevento	San Francisco, Calif.	Food Distribution Div. USDA
Theodore G. Kennard	San Francisco, Calif.	Marketing Information Div. USDA
V. E. Scott	Planada, Calif.	Kadota Growers Inc.
B. D. Innes	Planada, Calif.	Kadota Growers Inc.
Dwight K. Grady	Fresno, Calif.	California Fig Institute
W. S. Geddes	San Jose, Calif.	U. S. Products Corp.
Ralph Rush	Berkeley, Calif.	Agr. Ext. Service University of California
A. J. Tarlock	San Francisco, Calif.	USDA
W. Allmendinger	San Francisco, Calif.	USDA
N. C. Healy	Washington, D. C.	USDA
G. M. Sindelar	Washington, D. C.	USDA



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The meeting was opened at 10:00 a.m., Monday, March 21, 1955, with Mr. Innes acting as chairman. Following words of welcome to the group and an introduction of the personnel present, the chairman turned the meeting over to Mr. Healy who was asked to assume direction of the discussions. Mr. Healy outlined the purpose and scope of the meeting and expressed the hope that through a review of past and present industry experiences as well as an examination of the facilities available for market development a possible course of action might be developed to assist both growers and canners in solving their marketing problems. Mr. Healy stated that the Department of Agriculture certainly did not have answers to the problems of industry but anticipated that through collective discussion and action of both growers and canners some progress might be made and he therefore invited everyone present to participate freely in the discussions that were to follow. He called attention to the tentative agenda which had been distributed to the group and solicited any opinions or suggestions as to the topics outlined. In this regard it was necessary to change the agenda to allow Mr. McGilvray an opportunity to tell the group about the services of the Food Trades Branch inasmuch as he was scheduled for a meeting in Sacramento that afternoon. It was suggested that discussion on the subject be deferred until later in the program as Mr. Benevento of the Food Trades Branch would be available to answer questions at that time.

Mr. McGilvray addressed the group on the subject of the activities of his office. The Plentiful Foods Program, which is administered by the Food Distribution Division, seeks to move agricultural food-stuffs in abundant supply through normal trade channels. Mr. McGilvray outlined the manner in which a commodity may be placed on the plentiful foods list or the area list. He emphasized that the Division does not engage in promotional activity independently but rather, once given a marketing problem where the industry is doing its best to help itself, personnel of the Division contact the distributive trade in an effort to stimulate or expand promotion of the commodity. He felt that the industry could perhaps make use of the home economists in developing new uses or recipes for canned figs. Mr. McGilvray related the experience of his office in connection with a partial and informal survey of the Los Angeles market for canned Kadota figs. The reactions they received regarding the acceptability of canned Kadotas were on the whole rather favorable. However, he indicated there appeared to be quite a few diversities as to the composition of the market -- some parts of the Los Angeles market are a price market whereas others are more quality conscious.

Mr. McGilvray requested Mr. Kennard of the Marketing Information Division to outline the facilities of his organization in connection with the promotion of a commodity. The Division's chief responsibility lies in contacting the advertising media. Through a mailing list to about 500 key newspapers and television and radio stations they attempt to reach the consumer by way of the food page editors and homemaker programs regarding the foods in plentiful supply.

Work tables prepared by the Fruit Branch, United States Department of Agriculture, summarizing some of the more important available statistics relating to the California fig industry were distributed to the group. Mr. Healy

stated that the statistics available to the Department were rather limited in number and therefore any additions to or clarification of the material presented in the work tables would be appreciated.

The historical production trends for California figs used for canning and the fresh market were reviewed by Mr. Sindelar. It was pointed out that the production of fresh figs reached a peak during the mid-1940's. Production during the 5-year period, 1940-44, averaged 18,600 tons. Since that time production has declined successively in the following two 5-year periods, 13,600 tons (average 1945-49) and 12,200 tons (1950-54 average). The percentage of figs used for canning has ranged from 68 to 78 percent of the indicated production during the five most recent years. Representatives of the canners indicated that today's canning market is confined to the Kadota variety since very few, if any, Blacks are canned. In response to the inquiry as to what part of the fresh marketings represented Kadotas, growers ventured the opinion that the fresh sales of other varieties would exceed by far those of Kadotas. Approximately 800 tons out of a total of 2,800 tons marketed in fresh channels during 1954 were estimated to represent the Kadota variety. Growers' interest in the fresh deal is limited largely to keeping the groves clean in preparation for the canning market so as to permit the remaining fruit to reach desirable maturity and size for canning. Shipments of Kadotas to Eastern markets, in the opinion of one grower, would amount to only a relatively few cars in any one year. Tonnage of all figs marketed in interstate channels in recent years would, according to one grower's estimate, approximate only ten percent of the total fresh tonnage. The commercial market for fresh figs in California has dropped off to roughly about one-third of its level of 20 to 25 years ago. The reason for this reduction is attributable partly to changes in the composition of the population within the State. In addition, it was felt that since the fresh fruit stands are not being serviced by their operators as well today as they should -- one or two bad figs can often ruin the entire lot. Another grower estimated that around 15 percent of the total intra-state movement of fresh figs to California markets would represent Kadotas. In conclusion, it was believed that further expansion in the fresh market would be difficult primarily because the Kadota does not ship as well as the Black Missions and Calymyrnas and secondly, because the size of Kadotas is less favorable in comparison to these other varieties.

The next subject on the agenda related to trends in bearing acreage. Examination of the acreage statistics indicated that the bearing acreage of Kadota figs has declined appreciably since 1940, in all of the principal counties except Merced. It was pointed out that the acreage statistics for Kadotas as reported by the California Crop and Livestock Reporting Service at Sacramento include a sizeable acreage of Kadota figs grown primarily for drying and it was estimated that between 30 and 40 percent of the bearing acreage figures would represent Kadotas for drying. One grower indicated that a large volume of the figs produced in Fresno County, the second largest county in acreage, is drying stock -- possibly between 100 to 200 acres out of the total of 725 acres in 1953 are pruned Kadotas (for canning). Most or all of the acreage in Glenn County and about one-half of the acreage in Sacramento and Contra Costa Counties represent unpruned Kadotas. A

grower representative reported that 133 acres of Kadotas are going out of production between this season and last season: 55 acres in Stanislaus, 30 acres in Visalia area, 40 acres in Merced, and 8 acres around Reedley (Fresno County). In reply to a question as to the probable trend in bearing acreage five years hence it was believed that acreage would remain rather stable if a reasonably satisfactory market were maintained for canned figs. The statement was advanced that a fair percentage of the acreage in the Merced area is more or less marginal at the current level of prices. The yield in Merced County is believed to average about 3 tons "in-the-can" per acre in contrast to more favorable yields of around 6 tons "in-the-can" per acre in the more southerly counties. Cultural practices have improved to the extent of better pest and disease controls but many orchards in some of the areas have not received the care they should have had in recent years due to poor returns for the fruit. In conclusion, it was felt that further expansion in the market for canned figs is needed to avoid a further reduction in acreage.

The next subject of discussion centered on the quality of figs. One spokesman expressed the opinion that perhaps a better job of harvesting was done in earlier years than is now the practice. Labor was much more manageable and acreage of figs for canning was not nearly as large. It was felt that labor in today's market may have counteracted whatever improvements have come about in quality. In one canner's opinion, it is questionable whether nature is now producing a fig of poorer quality. The general use of commercial sprays and fertilizers has perhaps adversely affected the texture of figs. In earlier years it was uncommon for delivered figs to fall more than 5 percent off-grade. Today off-grade fruit is very rarely less than 12 to 15 percent. The industry estimates on the basis of experience in recent years that about 67 percent of the gross tonnage will go into cans. During the war canners tended to can early and a higher percentage of production -- as high as 83 percent of the total tonnage delivered. It is believed that the general quality of the pack of canned figs has been improving over the years particularly since World War II. The marked improvement in the quality within a grade was also noted. However, 1954 was not generally considered a quality pack year. For example, 55 percent of the pack was fancy in comparison to 62 percent in 1953. The pack of standards was 24 percent of the total pack in 1954 versus 13 percent in 1953. It was pointed out that this comparison is not necessarily indicative of the general trend inasmuch as 1951 and 1952 were much better quality pack years. One grower remarked that in his opinion a canned fig would be more acceptable if less sugar or a lighter syrup were used in the processing operation. In this connection it was stated that a request was recently made to change the U. S. Standards so as to permit lowering the sugar density of the "extra heavy" syrup.

Growers stated that figs are best from the quality standpoint if picked selectively every three or four days. However, the grower often is faced with the problem of not being able to deliver his fruit to the canneries since the harvesting of Kadotas frequently begins at a time when canners are engaged in the canning of both Clingstone and Freestone peaches. The grower would like to keep his orchard clean but every such ton he cannot

deliver to canners represents a loss. This imperfect knowledge of when and how much the market can absorb from one day to the next lessens the grower's opportunity to pick properly. In response to the statement that the first picks go to the dry yards, one representative claimed this was not necessarily the practice as it depends largely upon the timing of the Kadota crop with that of the peach harvest. During the 1930's it was the general practice to deliver the first figs to the dry yards because of the limited market for canned figs as well as canners' preoccupation with other fruits for canning.

The pack statistics assembled for the meeting were examined briefly. The trend in merchandising during recent years has been to pack a greater percentage of the total pack in smaller cans. This trend is particularly marked in the No. 303 which has shown a consistent growth in every pack year since 1948. The No. 303 is rapidly replacing the traditional consumer sizes -- the No. 2 $\frac{1}{2}$ and the No. 1 Tall. The pack of the 8-oz. can has also shown an element of growth in the postwar period. Canners asserted that the No. 2 $\frac{1}{2}$ can today is becoming an increasingly difficult item to sell. In reply to the question as to the future of the No. 303 can, one canner indicated that in his opinion the trend will more than likely continue. The presence of the smaller size cans has also created a sales problem for the canner in that he now has to sell more cases per ton of raw fruit. Institutional usage of canned Kadota figs is still confined mostly to No. 10's.

Mr. Healy called upon Mr. Tarlock for a summary report concerning the reaction of schools that received canned Kadota figs during 1954 through the School Lunch Program. Reports were received from schools in 18 States. One-half of these States specifically commented on the quality of the product and their comments ranged from good to excellent quality. Favorable comments were made in all reports from 10 of the States; unfavorable reports were rendered from 4 States; and the remaining 4 States submitted reports from school lunch supervisors both for and against the use of Kadota figs on the School Lunch Program. However, three of the latter four States reported favorable reception from a majority of the schools. Some of the favorable comments were: "would like to use more; generally acceptable; quality very good to excellent; go well with other fruits; superior in flavor and color to similar packs on the market; when the children could be coaxed to try them, they liked them -- it's a matter of educating the children to try them; superior to any purchased through our wholesale vendor." Unfavorable comments were as follows: "not as acceptable as other fruits; too sweet; can't be served as frequently as peaches; many children unfamiliar with them; too much liquid and too few figs to the can; had to open at least one-third more cans of figs for a serving than any other fruit; children of high school age relished the figs, but the majority in the elementary grades were unfamiliar with them and referred to them in one instance as 'boiled brown onions'."

Industry representatives were asked to indicate their views on the School Lunch Program for canned Kadota figs in 1954. Growers and canners who participated in this discussion appeared to be unanimous in their opinion that the program was a definite contribution to the industry particularly from the standpoint of a one year program. If this program succeeded in



stimulating consumption of canned figs then it may be of lasting benefit to the industry. One grower ventured the opinion that 1954 was a "bad" year and without the school lunch purchase the situation would have worsened materially. It was felt that more figs were canned in 1954 as a result of the program than otherwise would have been canned. A spokesman for the canners believed that from the statements read earlier on the reaction of schools to last year's distribution of canned figs the commodity has great possibilities for trade promotion. Some of the spokesmen for the canners indicated, however, that they failed to take advantage of the opportunity to follow-up the school lunch distribution. Distribution of a strictly fancy product to the schools, it was stated, provided an excellent opportunity for the promotion of canned Kadota figs. If the childrens' reactions to the product were favorable this thought might also be carried home and thus stimulate future sales of canned figs. Consumption cannot be expanded, however, without the consumer first knowing what the product is and where he can find it.

The stock positions of canners was the next subject of discussion. In response to the question as to whether canners' stocks as reported by the Canners League of California on January 1, 1955, were excessive, there was some initial difference of opinion as to the probable size of the carryout of canned figs based in part on the rate of movement to January 1. Normally a slight increase may be expected in the pattern of shipments from January through May. In conclusion, it was agreed that the carryout at the very minimum would be no less than last year and in all probability more in the vicinity of an increase of around 10 percent, or slightly higher, over the stocks in the hands of canners at the beginning of last season. The following indicates the supply position of canners on January 1, 1955, for canned figs:

	Cases, Basis <u>24 No. 2$\frac{1}{2}$ Cans</u>
Canners' carryover, July 1, 1954 (est.)	204,750
1954 pack	<u>525,082</u>
Total supply	729,832
Movement to January 1, 1955	<u>297,013</u>
Canners' stocks, January 1, 1955	432,819

It appeared that movement to January 1 has not been favorable. Representatives were questioned regarding the quality or grade of the canned fig carryover from one season to the next. They stated that canners normally make every effort to move their less desirable grades and smaller sized fruit as soon as possible in the marketing year and the extent of their success or failure largely determines the grade and size composition of the carryout.

Dr. Hoos addressed the group on the subject of anticipated consumer demand during the forthcoming marketing year. The general situation in terms of money income and employment will, in his opinion, continue to hold up

fairly well. The economy has been marked by a steady overall growth with both population and income rising. The national purchasing power most likely will continue at or near its present level next season but whether the fig industry will get their share is another question. Many people are consuming food items which they have not used before and it is therefore a basic marketing problem for canned figs to share in this general increase in consumption. He believed that the export market for canned figs has been limited in the past mostly to Canada and other American countries. Dr. Hoos cited the small but very steady market in the United Kingdom for canned fruits during the prewar years. Today's export trade is somewhat different largely because of bulk governmental purchases with respect to both quantity and time. In this situation he felt that it would be rather difficult to promote such a small item as canned figs.

Competition between canned Kadota figs and other canned fruits was discussed briefly. There appeared to be some differences of opinion as to the nature and extent of competition with commodities such as canned Cling peaches. The use of these two items as a salad was discussed at some length. In general, it was felt that canned figs like most other canned fruits "must fight it out" with one another and the degree of competition between commodities at any one moment is influenced largely by their relative prices and acceptability. In addition, it was believed that canned figs would be more appropriately described as a specialty item rather than as a luxury or semi-luxury canned fruit.

The group was asked whether any special marketing studies relating to canned figs ever have been made by either the industry or the State. No one knew of any such studies. Mr. Studdt of the State Department of Agriculture explained the nature of the "matching fund" programs in which the industry might be interested in their attempt to learn more about the market for canned figs. In addition he suggested that the industry might wish to contact the State office to determine what other facilities are available.

Mr. Grady cited the monthly reports of the United States Department of Agriculture regarding the sale of juice products to consumers. He felt that this type of information might be most helpful to the entire fig industry -- drying, fresh, and canned. He also remarked on the availability of fig products at the consumer level and stated that frequently in case of both dried and canned figs one will find only limited distribution during a limited part of the time. He asserted that acceptance of fig products by the consumer must mean that figs are available at points of sale and unless there is a continuous or constant availability then one is dealing with a more or less "seasonal" item. Consumers tend to forget a product if it is not before them at all times on the grocers' shelves. He also stressed the need for educating the children, a potent consumer both today and tomorrow. It is conceivable, he stated, that if some coordinated work were to be done through homemaker programs, recipes, and other means of advertising then an expansion of the market might be realized. He cited the present promotion of canned fig juice now being test marketed in two major cities. This work, in his opinion, should be

a planned operation rather than an attempt to unload a commodity. Mr. Grady in conclusion felt that it was a step in the right direction to have both canners and growers meet together so as to create a mutual understanding of each other's problems.

The group was solicited for opinions concerning the services of the Food Distribution Division in connection with a plentiful foods program. Representatives of the canners felt that the implication resulting from the use of such services would tend to indicate a surplus position or a possible softening of the market to the buying trade. Such indirect connotations would, in their opinion, be most undesirable to the canning industry. They believed that greater response and results could be obtained if the job were done by individuals within the industry than by any other means. Some interest was indicated, however, in the use of a home economist as a means of expanding the sale of canned figs. Some of the canners and growers present concurred in the suggestion that a committee composed of both parties be appointed to explore what facilities are available and how they might be utilized to the advantage of the entire industry.

Dr. Walker of the Western Utilization Research Branch, United States Department of Agriculture, spoke to the group concerning the activities of his organization. Basically, the Branch is responsible for the development of new processing methods. They also evaluate processing methods presently in use in order to improve the quality of the resultant product, whether frozen, canned, or dehydrated. The Utilization Branch has done quite a bit of work on freezing and dehydrating figs in an attempt to develop new uses for the product.

Mr. Rush of the Agricultural Extension Service, University of California, also addressed the group. He briefly outlined the functions of the Extension Service with particular reference to marketing efficiency and methods of plant operation. Mr. Pearl representing Dr. Mrak's office at the University of California also attended the meeting and spoke briefly to the group.

In conclusion, Mr. Healy stated that the preceding discussions presented the opportunity to explore all available avenues which might lead to further expansion in the market for canned Kadota figs and hence maintain a reasonable level of returns to both canners and growers. A mutual understanding and appreciation of the problems of each group is of fundamental importance in achieving that goal and it was hoped that this meeting would form the basis for subsequent discussions and action by the industry. It appeared to be the general consensus of the group that the initiative to plan and adopt a course of action must necessarily rest with the industry.

Mr. Healy remarked that the Department's participation in the marketing of last year's pack of canned figs arose strictly from an emergency situation and it was generally agreed that the use of Section 32 funds was not the solution to the industry's problems. Surplus removal activities carried on through the use of such funds are a temporary expedient and do not necessarily solve the long-range marketing problems. Distribution of any

commodity through the School Lunch Program provides the particular industry with an opportunity to explore further the acceptance of their product. The generally favorable reaction to last year's distribution of canned figs indicates a potential market for this product which might be more vigorously pursued through normal trade channels. If there is a mutual desire to broaden the distribution of canned figs, the industry may wish to investigate further all facilities available for market expansion and at the same time continue their efforts to product and market a quality product.

Mr. Healy thanked the group for their attendance and participation in the meeting and stated that copies of the minutes would be forwarded to all of those in attendance.

